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Before the U.S. House of Representatives

Committee on Resources

Hearing on The Forest Health Crisis in San Bernardino National Forest

September 22, 2003

Lake Arrowhead, California

Chairman Pombo and Members of the Committee,

Southern California Edison Company (SCE) appreciates the opportunity to appear before you today. Even more, we appreciate the interest that the Committee has taken in the critical problem faced by the beautiful mountain communities that are such an integral part of our service territory. We have served the residents and businesses in the San Bernardino National Forest for over a century. These are our neighborhoods too. Many of our employees live, work and raise their families in these mountain communities. In cooperation with the U.S. Forest Service, the California Department of Forestry, County and local fire agencies, the California Public Utilities Commission, the Mountain Area Safety Task Force (MAST), local fire safety councils and the other dedicated agencies and community alliances working on the Bark Beetle problem, we're gratified to be a part of the solution.

Just a few years ago, none of us could have imagined that we would now be facing the loss of the vast majority of the pine trees that are such a hallmark of these picturesque communities. While such a concentration of trees has long presented a challenge for us in keeping our transmission and distribution lines clear of vegetation, our extensive inspection and maintenance programs have enabled us to do a good job of it. And yet all these efforts pale in comparison with what we must now do to help solve the current problem.

A few statistics help to convey the scale of SCE's commitment to this problem:

Within the infested area, SCE has approximately 700 miles of electric line, 20,000 structures (primarily poles) and 5 substations.

We currently estimate that, in keeping with Governor Davis' Emergency Proclamation and the direction of the Public Utilities Commission, we will be removing in excess of 350,000 dead or dying trees that could potentially fall into our electric lines. These are typically large, mature trees- so we must often clear a path 100 feet or more on either side of each of the lines that run to every home and business in these communities. The immediate and startling implication is that there will be very few pine trees left standing around any inhabited structure in many of the impacted communities.

SCE has 55 management employees involved in addressing the Bark Beetle situation, with more to be added as necessary.

We currently have contracts with 3 tree removal firms, and recently issued a Request for Proposals to bring on additional crews; when we are fully manned, we will have about 15 full-time contract tree removal crews with in excess of 100 people working every day in the infested area.

We are ramping up our removal efforts as quickly as possible; soon we will be removing 275 or more trees per day. As noted below, this number, especially when combined with the removal efforts of other agencies, may well exhaust the capacity of the various existing disposal means.

We are currently lowering and reinstalling about 10 electric distribution lines every day to permit the safe

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removal of trees near the wires. This total will increase dramatically as we and others continue to ramp up tree removal efforts- and our customers will continue to be substantially inconvenienced by the necessary interruptions in their electricity.

To reduce the threat of fire in the affected areas, we have initiated special operating procedures that require any circuit that experiences an unplanned outage to be fully physically inspected before it can be reenergized. While this is a necessary safety precaution, it will significantly increase the length of outages experienced by our customers.

The current estimate is that it will take approximately 6 years to remove the over 350,000 dead or dying trees that could fall on our electric lines.

Our current estimated cost for the project, which we expect the Public Utilities Commission will order be borne by all of our 4.4 million customers, is over \$300 million – and potentially substantially more. It's important to note that our tree removal expenses are a pass-through for SCE. That is, there is no profit component, and cost recovery in rates is subject to retrospective review and approval by the PUC.

Frankly, the magnitude of this problem is unlike anything we've dealt with before. The trees in question are generally very large and often close to homes and businesses as well as power lines. Many must be removed using cranes and other heavy equipment. Furthermore, one of the greatest challenges, and the limiting factor in our progress, is the disposal of the countless tons of organic matter generated by the accelerating tree removal effort. We are working earnestly to support the responsible agencies as they look for innovative solutions to the disposal problem. Possibilities such as wood-fueled biomass plants are being thoroughly examined. SCE has also volunteered to coordinate the process of seeking out qualified firms that could build such facilities, and then contracting with them for the electricity generated from their operations. As you might imagine, pursuing such solutions on an accelerated basis is not easy, and we may need your help to expedite the permitting of such projects. That brings us to the topic of what you can do to help us deal with this problem.

The communities and agencies impacted by this problem are energized and working together earnestly. What they need most are time and money. The costs and logistics to remove and dispose of over 1 million dead or dying trees in the affected areas are simply immense. Many property owners are personally facing removal costs in the tens of thousands of dollars, and agency staffing and financial resources are being stretched to their limits. Any federal funds that can be allocated to our State to ultimately defray homeowner and agency costs can and will be used quickly and efficiently on the front lines of this battle. The second way that you can help is to provide the means to shorten or eliminate the processing of required permits or expedite the issuance of waivers of regulations that will almost certainly be needed to allow innovative disposal methods to be quickly implemented. We hope that your Committee will want to serve as a focal point and "barrier breaker" when the need for quick governmental action arises as this situation continues to unfold.

Our corporate goal is to do everything we can to cooperate with the responsible agencies to mitigate the Bark Beetle problem safely, expeditiously and with full regard for our environment. We can do nothing less for our customers, neighbors, colleagues and families.

Thank you again for the opportunity to address the Committee today.